



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

March 26, 2007

CERTIFIED MAIL
7004 2510 0004 1824 8248

Mr Russ Larson, Chief Operating Officer
Lakeview Rock Products
900 North Redwood Road
P.O. Box 540700
Salt Lake City, Utah 84054-0700

Subject: Findings of Fact, Conclusions, Order and Finalized Assessment for
MC-06-01-04(1), Thomas Pit, M0110002, Lakeview Rock Products, Davis
County, Utah

Dear Mr. Larson:

On January 31, 2007, an Informal Conference was held to review the re-assessed fine for state violation MC-06-01-04(1). As a result of a review of all pertinent data and facts, including those presented in the Informal Hearing and Assessment Conference, the attached documents constitute the findings of fact, conclusions, order, and finalized assessment.

Within fifteen (15) days of your receipt of this letter, you or your agent may make a written appeal to the Board of Oil, Gas and Mining. To do so, you must escrow the assessed civil penalties of \$528.00 with the Division within thirty (30) days of receipt of this letter, but in all cases prior to the Board Hearing. Failure to comply with this requirement will result in a waiver of your right of further recourse.

If no timely appeal is made, this assessed civil penalty must be tendered within thirty (30) days of your receipt of this letter. Please remit payment to the Division of Oil, Gas and Mining, mail c/o Vickie Southwick at the address listed below.

Sincerely,

Mary Ann Wright
Associate Director, Mining
Assessment Conference Officer

MAW/vs
Enclosures:

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BEFORE THE DIVISION OF OIL, GAS AND MINING
MINERALS REGULATORY PROGRAM
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

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IN THE MATTER OF THE	:	INFORMAL CONFERENCE
THOMAS PIT, DAVIS COUNTY,	:	For MC06-01-04(1) FINDINGS,
UTAH	:	CONCLUSIONS
		AND ORDER
		CAUSE NO. M/011/0002

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On January 31, 2007, the Division of Oil, Gas and Mining ("OGM") held an informal conference concerning the Fact of Violation and the Assessment for Cessation Order, MC06-01-04(1) issued to the Thomas Pit, Davis County, Utah. The following individuals attended: Doug Jensen and Daron Haddock for the Division.

Presiding: Mary Ann Wright
Associate Director, Mining
Division of Oil, Gas and Mining

Petitioner: Russell Larsen and Scott Hughes with Lakeview Products

The Findings, Conclusions, and Order in this matter are based on information provided by the Petitioner and the Division in connection with this informal conference, and on information in the files of the Division.

FACTS PRESENTED: Fact of the Cessation Order and Assessment

1. On January 31, 2007, the Division of Oil, Gas and Mining (OGM or Division) held an Informal Conference concerning the Cessation Order issued at the Thomas Pit in Davis County, Utah.
2. Cessation Order MC06-01-04(1) was issued June 9, 2006 for 'Failure to obtain Division approval of a mining notice and post adequate reclamation surety prior to commencing mining operations.

3. In a letter received January 5, 2007, Mr. Larsen requested an Informal Conference to "discuss the Cessation Order and Penalty Assessment." Notice of the informal conference was properly given, pursuant to Utah Code Ann. Section 40-8- 9 and Utah Administrative Rule R647-6-102. At the informal conference, the Petitioner presented the following information to the Conference Officer.
4. Mr. Larsen stated that Lakeview Rock Products (LRP) mined without a permit and bond. He explained that LRP set out to fix the hillside. LRP had a DAQ permit and North Salt Lake City (NSLC) permission. This work was within a mile of their existing pit. LRP believed the Division engineer gave LRP verbal permission to begin work. LRP believes that they have complied by getting a permit and bond in place. Additionally, this caused them to be shut down for 6 months. Thus, LRP believes the fine and citation were inappropriate.
5. Mr. Larsen further contended that the disturbance was not in a pristine area, there was a bond in place with NSLC, and they believed they had notified DOGM of their plans.
6. Mr. Doug Jensen stated that he had told them that general clean-up work was okay to satisfy the Mayor of North Salt Lake but that mining would require a permit.
7. Mr. Larsen represented that there was a clear disconnect about Lakeview's consultation with the Division.

CONCLUSIONS

- Mining without a permit occurred. The Division did not have access to the reclamation surety posted with North Salt Lake City since OGM did not know about it, nor was the state of Utah named on the bond. The Fact of the Violation (CO) should stand.
- Facts were presented which were taken into consideration of a reassessment of this cessation order. This was difficult abatement that was accomplished within an acceptable time frame. However, the fine as re-assessed by the Assessment officer was previously adjusted to one-third of original fine to account for the good faith shown in getting the site permitted and bonded.

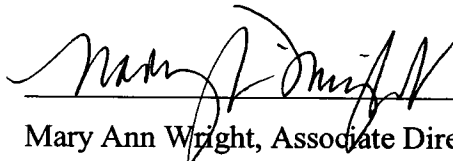
The fine was also appropriately maintained to account for the fact of mining without a permit. The fine should not be further re-adjusted or vacated.

ORDER

NOW THEREFORE, it is ordered that:

1. Cessation Order MC-06-01-04 (1), issued May 9, 2006, is hereby affirmed.
2. The final assessment, as reassessed from \$1580 to 528 was appropriate.
3. The final assessment of \$528 is upheld, And shown on the enclosed worksheet.
4. The fine of \$528.00 is assessed and payable 30 days from receipt of this reassessment.

SO DETERMINED AND ORDERED this 26th day of March 2007



Mary Ann Wright, Associate Director, Mining
Conference Officer
Division of Oil, Gas and Mining
State of Utah

UTAH DIVISION OF OIL, GAS AND MINING
WORKSHEET FOR **FINAL ASSESSMENT OF PENALTIES**

COMPANY: Lakeview Rock Products PERMIT: Thomas Pit M0110002, Davis County
VIOLATION: MC-0-01-04(1)

ASSESSMENT CONFERENCE OFFICER: Mary Ann Wright

	Proposed Re-Assessment	Informal Conf Final Assessment
(1) History/Previous Violations	<u>0</u>	<u>0</u>
(2) Seriousness	<u>28</u>	<u>28</u>
(3) Negligence	<u>6</u>	<u>6</u>
(4) Good Faith	<u>-10</u>	<u>-10</u>
Total Points	<u>24</u>	<u>24</u>

TOTAL Final Informal Conference ASSESSED FINE \$528.00

NARRATIVE: No change is made in this final re-assessment of conducting mining without a permit. This violation was already re-assessed from \$1,540 down to \$528 based on good faith performance for diligent response in getting a mine permit and bond approved for this mine. No further reduction in fine is made based on information presented at the informal conference.

(Brief explanation for any changes made in assignment of points and any additional information that was available after the proposed assessment.)